

# Comments from Tire Program's Five-Year Plan Workshop – October 2014

Element	Summary of Comments	CalRecycle Response
<b>Enforcement</b>		
TEA Grants	If LCCs perform some cleanup functions, they will need support from local agencies. Will local agency costs for this be an eligible cost in the TEA grant program?	At this time CalRecycle does not include cleanup activities as an eligible cost for TEA grants. However, CalRecycle acknowledges that local jurisdictions may incur costs related to supporting LCC tire cleanup functions (e.g., costs related to partnering on clean-up activities, meetings, training sessions). Please note that grant expenditures would be subject to the same requirements stipulated in the Eligible Costs section of the Procedures & Requirements. CalRecycle is modifying its proposal re: Local Government and Amnesty Cleanup Grants to potentially allow for reimbursement of such expenses to grantees under these programs (see below). CalRecycle will also assess future cycles of the TEA Grant program with respect to whether TEA grantees could seek reimbursement for such expenses.
<b>Hauler/Manifest</b>		
Hauler/Manifest	Too many hauler permits have been issued, but some haulers are not getting the tires to the processors.	With respect to the comment re: too many hauler permits, CalRecycle believes the intent of the comment is that permits are too easy to get, which leads to unscrupulous haulers picking up tires and either undercutting pricing for processors and/or illegally dumping low-quality tires. CalRecycle does not have statutory authority to limit the number of hauler registrations it issues. If an applicant meets all the requirements, completes the required application, provides the required surety bond, and is not otherwise barred from receiving a hauler registration (for example, being prohibited from being issued a hauler registration as a result of prior administrative action), CalRecycle is required to issue the hauler registration. At the same time, CalRecycle has greatly increased its oversight and enforcement re: tire hauling and processing, as has been discussed at numerous CalRecycle public meetings.
<b>Remediation</b>		
Local Government and Amnesty Cleanup Grants – Replacement by LCCs issue	Stakeholders posed a series of related questions re: whether LCCs can provide the same service as the Cleanup and Amnesty Grant programs, why \$5 million is allocated to LCCs, and why the current grant programs should not be continued: 1) Why is CalRecycle proposing to eliminate grants to local governments who have experience conducting	It is important to understand that the FY 2014/15 Budget established the LCC allocation from the Tire fund (\$2.5 million in FY 14/15, \$5 million in subsequent FYs). Given this, CalRecycle's obligation is to work with the LCCs to ensure they conduct activities related to waste tire management and that the LCCs account for proper expenditure of these funds. Procedures to ensure proper expenditures are in place as part of each LCC agreement and are consistent with how CalRecycle oversees

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	<p>amnesty events and shift funding to LCCs who have no experience; is funding LLCs at \$5 million a productive use of funds and too much for the amount of tires illegally dumped, in place of a program that is run effectively on \$1.8 million?</p> <p>2) Will LCCs rather than local governments would conduct amnesty events and will local jurisdictions will be reimbursed for expenses related to coordinating with LCCs or conducting emergency cleanups that LCCs do not handle?</p> <p>3) Local agencies already collect illegally dumped tires as part of their function of routine maintenance of streets and provide locations for amnesty events and drop-off programs. They already use non-profit organizations to help with their programs. They are concerned if funds are shifted to the LCC, illegally dumped tires will not be picked up in a timely manner and will pose a threat to public health and safety.</p> <p>4) Stakeholders suggested that the Amnesty and Local Government grant programs be continued because the grants support vector control agencies and code enforcement programs; support jurisdictions that are geographically isolated and not strictly rural but who need funding based on location to markets and population; and counties waive disposal fees as an incentive for people to bring their tires to Amnesty Events paid for by grants.</p> <p>5) What accountability there will be for the \$5 million provided to the LCCs?</p> <p>6) Will rural areas or other areas where there is no existing LCC be provided service if the Cleanup and Amnesty grants are eliminated, and how CalRecycle will coordinate with LCCs and ESJPA?</p> <p>7) How will CalRecycle would ensure no gap in funding LCC cleanup and amnesty activities if the Cleanup and</p>	<p>expenditures of all grant funds. CalRecycle grants staff has worked closely with Tire Compliance and Enforcement staff to identify eligible activities, provide training, and implement processes (e.g., data tracking, quarterly reports, and documentation for reimbursement) that help ensure diligence to the Tire Fund. With respect to activities that LCCs can conduct, one is to partner with locals to provide labor and other assistance in collecting tires at local government cleanup and amnesty events. CalRecycle has encouraged LCCs to work with individual jurisdictions with cleanup and amnesty grants to augment those existing activities; this also can include education and outreach activities as well as actual site clean-up, collection, and hauling services. At this time, the LCCs offer another option for local jurisdictions to assist with Cleanup/Amnesty grant events. CalRecycle staff are identifying geographic areas that the existing LCCs are able to cover and gaps in this coverage.</p> <p>At the same time, CalRecycle appreciates stakeholder concerns that the level to which LCCs can provide such services is uncertain, although some LCCs have experience with environmental and restoration projects, including some tire remediation projects in remote and wetland areas. CalRecycle also understands that local jurisdictions still will need funding to coordinate with LCCs as well as to cover enforcement and emergency cleanups, and that in cases where LCCs cannot provide sufficient assistance then local governments will require a greater level of funding. To address these concerns, CalRecycle is changing its proposal to tentatively extend the Amnesty and Cleanup programs for at least one additional cycle each, while in the interim CalRecycle assesses the extent to which LCCs can provide services and how that impacts local government funding needs for these programs.</p> <p>As part of this, however, CalRecycle also is proposing that local jurisdictions applying for Amnesty and Cleanup grants must demonstrate how they are coordinating with LCCs to obtain assistance and how that reduces the local government's need for funding, or demonstrate that no such services can be coordinated; preference could be provided for those partnering with LCCs, and this could include pilots for cooperative endeavors. This would allow for reimbursement of expenses associated with local government coordination with LCCs or provision of emergency cleanup services. CalRecycle also will continue to assess the ability of LCCs to provide assistance in all areas of the state and will coordinate with ESJPA to address rural county concerns. (Note that with the possibility that more corps will be certified in the future, less tire funding would be available per corps).</p>

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	<p>Amnesty grant programs are eliminated?</p> <p>8) What about events that need experienced people to collect, move tires with equipment, and “lace” tires into trailers?</p> <p>9) Whether LCCs can dredge waste tires out of the Tijuana River;</p> <p>10) Need to calculate cost/tire for cleanup, to assess effectiveness, whether for LCCs or Local/Amnesty</p>	<p>With respect to comments 8-10:</p> <p>8) As noted above, CalRecycle is proposing to continue the cleanup and amnesty programs for at least another cycle each. This would allow for other entities to be involved in such activities if the LCCs are not able to provide appropriate services and the grantee can document the need for other entities to be involved. CalRecycle also notes that this is not a required activity for this cycle, although most LCCs will likely be looking to partner with local jurisdictions in cleanup/amnesty activities. CalRecycle anticipates that much will be learned in the next two cycles about their ability to provide adequate service and about the effectiveness of coordination between local jurisdictions and LCCs.</p> <p>9) Waste tire removal projects in sensitive areas, such as the Tijuana River Valley and Estuary, can be complex in terms of planning, permitting, and implementation. These types of projects could be funded by grants or under the short-term tire remediation program. While some tasks associated with such projects may be beyond the capabilities of LCCs in terms of available resources, some projects tasks may be appropriate for LCCs to undertake (e.g., removing tires, debris and vegetation by hand, etc.). Participation by LCCs on such projects will have to be on a case-by-case basis.</p> <p>10) CalRecycle already has data on the cost per tire for previous cleanups (both large-scale and for those conducted under the Local Government and Amnesty programs) and will continue to gather data on future cleanups so that it can assess the cost-effectiveness of such efforts. However, CalRecycle reiterates that the allocation of funding to LCCs is set by the budget act and CalRecycle is accordingly obligated to work with the LCCs to identify appropriate activities for the expenditure of these funds.</p>
Local Government and Amnesty Grants – funding per tire	The cap of \$5 per tire is not enough for rural areas to be interested in applying and needs to be raised for rural areas.	In future cycles, staff may consider (as part of a criteria RFA) an exception of up to \$7/tire for a city with less than 20,000 residents, a county with less than 50,000 residents and Qualifying Indian Tribes.
Short-term Remediation Cleanup Grants	Cleanup grants support the efforts to address tires entering the US from south of the border.	Tires entering California from Mexico as part of storm water discharges primarily impact the Tijuana River Valley and Estuary. This area is owned by a variety of government agencies as well as private citizens. Cleanup of waste tires in this area would be eligible for funding under the current short-term tire remediation program, cleanup grants, and with the assistance of LCCs where appropriate (see response to comment 7 above).

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Farm & Ranch Cleanup Program	The performance measure identifies increasing the grants by 10% per year which would seem contrary to the stated hope that enforcement and manifesting will decrease dumping.	The performance measure is to increase the <u>sites</u> remediated through the grant program by 10% a year. This program works in conjunction with enforcement and manifest system to reduce illegal dumping. However, in remote rural areas illegal dumping still occurs. This program provides funding for the cleanups but also provides funding for site security (gates and fencing) to prevent further illegal dumping once the site has been cleaned. Staff has increased outreach to eligible applicants and created a pilot program to assist in meeting the performance measure.
Reserve	Emergency Reserve should be continually appropriated and replenished each year of funds that are used to maintain a consistent level of funding.	Currently CalRecycle does not have authority to continually appropriate money from the Tire Fund for the Emergency Reserve. Staff investigated the appropriateness of encumbering the funding required for the Emergency Reserve into a multiyear remediation contract; however, it was determined that this approach will not administratively work for a variety of reasons.
<b>Research/Market Development</b>		
TDA/RAC Research and Technical Assistance	<p>1) Is there really a need to continue TDA and RAC research/testing?</p> <p>2) Is there sufficient demand for TDA technical assistance?</p>	<p>1) Research on both RAC and TDA has resulted in establishing numerous long-term sustainable markets and has played a key role in achieving CalRecycle's waste tire diversion goal. However, RAC technology is still evolving, and testing and research is needed to determine if new technologies are a cost-effective alternative to conventional asphalt pavement. For example, CalRecycle has recently partnered with Caltrans on research efforts to accelerate the implementation of warm-mix technology and performance based specifications for RAC pavements. TDA is a relatively new technology so research is needed to further determine its material properties and evaluate whether it can be a cost effective alternative to conventional technologies that are currently being used to design engineering projects. One of the most notable long term markets resulting from CalRecycle research efforts is the use of TDA in the expansion of light rail systems in both the Bay Area Rapid Transportation (BART) and the Metropolitan Transportation Agency in Southern California for vibration attenuation applications.</p> <p>2) The demand for TDA is increasing. However, since it is a relatively new technology, CalRecycle's technical assistance is needed to educate and train many local and state agencies on TDA material properties and how to best take advantage of the benefits of TDA. This will help ensure successful design and construction of existing TDA projects and promote TDA use in future</p>

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	<p>3) Why spend so much on TDA compared to RAC?</p> <p>4) We do not support Item 3, Caltrans PG+5 Binder Project, because Caltrans is already mandating PG+5.</p>	<p>projects. CalRecycle also requires that grantees receive TDA technical assistance for design review and construction management prior to commencing any TDA grant projects.</p> <p>3) When RAC was developed about 35 years ago, CalRecycle research funding was substantially higher than the current levels. Since RAC was relatively new, research was needed to evaluate whether RAC was a viable and cost-effective alternative to conventional asphalt paving. As a result of CalRecycle's research efforts, RAC has evolved into a long-term sustainable market that is now used routinely by numerous local governments and Caltrans. Due to this success, funding support for RAC research has decreased. Like RAC 35 years ago, TDA is a relatively new technology with similar promise, but has the potential to divert even more tires than RAC. CalRecycle is proposing to continue its research efforts in anticipation that it will help create long-term sustainable markets for TDA. CalRecycle anticipates that this research effort to support TDA will, like RAC, decrease overtime.</p> <p>4) Caltrans is still in the process of determining whether to move forward with their PG+5 project. During the stakeholder meeting, several technical issues have been raised regarding the feasibility of implementing the PG+5 project. One key issue is the impact on other rubber paving application when 5% rubber is added to binder used in those application. This research is needed to address this issue as well as other technical issues identified by key PG+5 stakeholders.</p>
Outreach	Consider outreach to motorcycle riders to keep their tires out of the landfill.	Motorcycle tires are subject to the same fees as passenger tires. Also like passenger tires, they are usually obtained from a new tire shop. Motorcycle riders and motorcycle tires are an important market segment. CalRecycle believes that the motorcycle segment can be best served by the same approach as passenger tires.
Research Proposals	CalRecycle should study the health effects of turf fields, since this impacts crumb rubber markets.	CalRecycle contracted with OEHHA to review previous scientific studies and conduct additional research on the health effects of using crumb rubber in synthetic field turf; this report was published in 2010. CalRecycle is unaware of new findings based on scientific study that link significant health impacts to the use of recycled crumb rubber in synthetic turf. However, CalRecycle will work with OEHHA and other appropriate entities to assess new scientific information and will consider participating in a new study if one is conducted by a state or federal agency with appropriate toxicological and exposure/risk assessment modeling expertise.

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	CalRecycle should conduct a lifecycle analysis of TDF versus molded products; using crumb rubber in molded products just postpones landfilling for a few years until the product is no longer useful.	The draft plan includes a proposal to study end-of-life impacts of synthetic turf fields and other products; CalRecycle could include other molded products as part of this. However, this is not intended to be a full lifecycle analysis; furthermore, CalRecycle is statutorily prohibited from spending tire funds on TDF research.
	For the landfill research proposal, landfills should pay for their own research.	The intent of the research proposal is to develop independently derived data on the impacts that may occur from the landfilling and/or use of waste tires in solid waste landfills. The working thesis for the research is that significant amounts of tires within the waste mass may adversely impact landfill monitoring and control systems designed to protect the environment. The proposed research would be designed to determine if this thesis is supported by data collected through direct measurement at landfills that have significant amounts of tires in the waste cells when compared to a control group of landfills that do not. The research would primarily assess the effectiveness of current regulatory requirements and, therefore, it would not be expected that industry would fund such research.
Rubberized Pavement Grants	We do not support Item 7 because Caltrans is mandating use of rubberize pavement through its updated interim guidance for RHMA usage.	Caltrans interim guidance is for increasing the use of rubber in State paving projects only. Rubberized pavement grants are issued to local government entities and not Caltrans in an effort to increase use of rubber in their projects as well.
TDP Grants	Continue the TDP grant program.	While an incentive approach could include payments for manufacture and use of TDPs, the draft plan does provide for continuation of the TDP program (see section on TIP/TDP), although it does not specify funding levels. CalRecycle is modifying this aspect of the plan to increase funding for the TIP/TDP category; the portions of this that would be allocated to TIP and to TDP grants would be determined at the beginning of the cycles for those programs, subject to a minimum for TIP of \$3 million per year.
“Conversion” Technologies	Expand program to provide for development of facilities utilizing appropriate conversion technologies to manage at least that portion of waste/used tires that are being shipping out of California. Since air currents over the Pacific create the real possibility that emissions from incineration facilities operating in the Pacific Rim countries will travel across the ocean and impact California’s air quality and possibly our citizens’ well-being. Focus on alternative technologies in diverting used/waste tires sent to the landfills each year by using a closed-loop cycle tire model.	Some waste tires are used as tire-derived fuel in California or exported for similar use overseas. Waste tire and processed TDF exports decreased by an estimated 18 percent in 2013. While CalRecycle has conducted research on various thermal technologies in the past, it currently is statutorily prohibited from spending tire funds on activities that provide support or research regarding tire incineration.

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Grants - General	Establish a basis for tire grant awards based on the tire generation factor of a local jurisdiction.	Grant requests are based on a jurisdiction's willingness to participate in an appropriate grant program and available funding. Historically, tire-related grant requests have not shown a direct correlation with waste tire generation. Several years ago, CalRecycle piloted a policy that initially allocated approximately two thirds of certain grant funding to jurisdictions located in southern California (commonly referred to as the "north/south split"). This pilot policy was discontinued after a few years when it was demonstrated that tire-related grant demand was not necessarily consistent with population and, by extension, waste tire generation.
<b>Comments on Vision</b>		
Vision – Incentive aspect	While most or all stakeholders agree that expanded markets are critical, most did not support incentives or an increased tip fee as a preferred long-range vision and questioned whether incentives accomplish CalRecycle's goals, and whether an incentive program would lock California into a dependence on subsidies that would be difficult to end. One stakeholder suggested this would create a Canadian-style program and that it would be difficult to move later to a free market system. Others suggested, without agreeing with the vision, that if an incentive program is implemented, it should be done slowly over a 5-10 year period.	CalRecycle's long-term vision re: incentive payments is predicated on the fact that the waste tire <u>recycling</u> rate is only around 40%. While the current approach (a mixture of research, grants, technical assistance, and outreach) has helped increase markets to some extent for RAC, TDA, and some other tire-derived products, the low recycling rate has not improved much in recent years. While many stakeholders would prefer a free-market system with no subsidies, CalRecycle's perspective is that subsidies will continue to be needed to ensure that waste tires are incorporated into end-uses such as paving, molded products, retaining walls, etc. As a corollary, CalRecycle continues to believe that a variety of markets that use California-produced products is preferable, rather than focusing on only one primary use, even if the cost/tire varies among these end-uses. Implementation of this vision would significantly change waste tire management and markets in California and have ripple effects far beyond the state's border. Many details would have to be vetted before making such a paradigm shift, including the timing of such as shift, appropriate funding levels, how to ensure a sustainable market, and whether and how to reduce or eliminate other incentives/subsidies for various products and markets. With respect to details of the incentive payment approach proposed by CalRecycle, one fundamental question is where any incentive payments should be targeted. CalRecycle's proposal focused on payments to manufactures, but CalRecycle recognizes that other variations are worth considering as well, e.g., the suggestion to provide payments to state and local agencies for use of RAC and other products. Other comments noted in the previous column are addressed below:

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	<p>1) Related comments included: Rather than provide incentive payments to manufacturers, one stakeholder suggested increasing the fund and providing financial incentives to Caltrans and locals to use RAC, as that is the most significant and best use of tire rubber nationwide.</p> <p>2) How will the vision, including elimination of various market development grants and technical assistance, affect local governments who currently are the primary beneficiary of these programs?</p> <p>3) How will incentive payments to tire product manufacturers trickle down or filter back to the tire processors, haulers, or generators (one specifically suggested no incentive payments to processors)?</p>	<p>1) The use of rubberized asphalt concrete is an important market segment and one which CalRecycle continues to support with grants, research and technical assistance to local governments. However, as noted above CalRecycle continues to support a diverse range of products that includes but is not limited to RAC.</p> <p>2) CalRecycle acknowledges that elimination of current grant programs would impact local governments that are the typical recipients of these grants. CalRecycle has been ratcheting down the amount of funding provided to jurisdictions that have received multiple grants, but whether to totally eliminate these programs as part of implementing the long-term vision requires more discussion and consideration. CalRecycle also intends to continue its commitment to provide appropriate technical assistance to local governments.</p> <p>3) The particulars of how incentives to manufacturers will benefit others in the supply and manufacturing chain are complex. Currently, a fee is collected on the sale of a new tire (\$1.75), which is forwarded by the tire shop to the state and is split between CalRecycle (\$1.00) and the Air Resources Control Board (\$0.75). Additionally, a “recycling” or similarly named fee (typically \$2 - \$3) is collected by the tire generator (tire shop) for each waste tire. This fee is retained by the tire shop, with a portion of the fee typically being paid to a tire hauler to pick up the tires and transport them for recycling or disposal. The tire hauler then must pay the waste tire processor or landfill a fee to take the load of tires.</p> <p>Sometimes individual consumers may retain their used tires to avoid the fee, rather than leaving them with the tire shop, resulting in home storage that may lead to increased vermin and mosquito problems. Many of the individuals that choose not to pay the fee and take the tires home, know that they can take them to a CalRecycle-sponsored amnesty event and not pay anything to get rid of the tires. In addition, unscrupulous haulers may decide to keep all of the monies paid by the tire shop and never deliver the tires to the recycler or landfill, and instead illegally dump the tires or take them to an unpermitted facility.</p> <p>In the long-term vision approach, by shifting where monies are paid, the waste tire would only have value once it is delivered to a waste tire processor. That would eliminate the financial benefit for individuals to take tires home and eliminate the potential for unscrupulous haulers to illegally dispose of waste tires. Processors would be responsible for controlling the</p>



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		<p>flow of waste tires from the tire shop to their facility and providing appropriate compensation to tire haulers. Tire processors would be appropriately compensated for their responsibilities. This should result in improved service for tire shops enabling them to focus on their core business of selling tires and customer service, without having to worry about the waste tires. By providing an incentive to the product manufacturer (which in some cases may also be the waste tire processor), the demand for crumb rubber and other intermediate materials would result in higher recycling rates and increased throughput and revenues for waste tire processors.</p>
Vision – Generator/Dealer Fee	<p>Some suggested that the disposal fees charged by Tire Dealers results in people dumping tires. In contrast, tire dealers are concerned if they are no longer allowed to charge for disposal of waste tires, as they would no longer have direct funds to get rid of waste tires. They would oppose increasing the tire fee if they do not have the ability to charge a customer for the cost of paying a hauler to take waste tires away from the shop; they would rather see current fee reduced as products become sustainable without grants.</p>	<p>As described above, shifting the point at which the value of the waste tire is paid should reduce the desire of some individuals to take used/waste tires home and reduce the potential for illegal disposal. Since the waste tire processors would be responsible for picking up the tires (either by their own trucks or by contracting with specific haulers), tire shops should experience improved service regarding the waste tires. Tire shops would no longer have to pay to have the waste tires removed. This would enable tire shops to focus efforts on their core business of selling tires and customer service, without having to worry about the waste tires.</p>
Vision – Other aspects	<ol style="list-style-type: none"> <li>1) Ban on landfilling tires and tire-derived ADC would create an increase in illegally dumped tires. Several stakeholders opposed shutting down landfills without sufficient markets in place; one suggested a sliding scale with increased restrictions on landfilling. Others suggested supporting legislation to set a state goal of banning landfilling of tires by 2025</li> <li>2) Other stakeholders suggested establishing a working group comprising large cities of the state to develop a plan that reallocates the existing funding to capture and recycle more tires.</li> <li>3) The Vision does not specify whether used tires resold in the U.S. or in other countries count as “recycled.”</li> </ol>	<ol style="list-style-type: none"> <li>1) The draft plan addressed this concern by suggesting: “Prohibit, with a phased-in ban over a reasonable time period and if sufficient processing capacity is available, tire disposal and the use of tire-related ADC.”</li> <li>2) With respect to establishing a working group comprised of large cities, California is a diverse state that is made up of rural, urban, small cities and large cities, etc. CalRecycle considers the biannual development process for the 5 Year Tire Plan as affording all stakeholders the opportunity to provide input on this issue.</li> <li>3) If the comment actually refers to used versus waste tires, CalRecycle includes information on exports of used tires in the annual Market Analysis report. Consistent with CalRecycle’s interest in recycling waste materials within the state, CalRecycle does not consider the export of used materials to count as part of the California tire recycling rate.</li> </ol>

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	4) CalRecycle's estimate of the tip fee needed to fund an incentive program seems too high.	4) The actual fee level would depend on numerous parameters, including the different levels of incentive payments for different end-uses and the compensation necessary to move the waste tires from the tire shops to the waste tire processors. If legislation to move in this direction is introduced, CalRecycle could assess various aspects to determine the level of fee that is necessary to accomplish the desired objectives.